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202-616-2885 (v)  
202-307-0054 (f)  
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Of Counsel:  
NICHOLAS A. TRUTANICH  
United States Attorney

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEVADA

UNITED STATES OF AMERICA,

Plaintiff,

v.

JEFFREY A. MARTINEZ, individually,  
and as Trustee of the Martinez Family Trust;  
DOLORES M. MARTINEZ, individually and  
as Trustee for the Martinez Family Trust;  
THE MARTINEZ FAMILY TRUST;  
MARTINEZ & ASSOCIATES, INC.  
(NV20041370692); MARTINEZ &  
ASSOCIATES INC. (NV20181033912);  
SIERRA MORTGAGE CORPORATION;  
FIDELITY NATIONAL TITLE; CHASE  
MORTGAGE COMPANY; JP MORGAN  
CHASE BANK NATIONAL  
ASSOCIATION; RHODES RANCH  
ASSOCIATION; and REPUBLIC SILVER  
STATE INC., DBA, REPUBLIC  
SERVICES,

Defendants.

Case No.: 2:19-cv-1986-GMN-DJA

**UNITED STATES' MOTION TO  
EXTEND STAY IN LIGHT OF  
SETTLEMENT NEGOTIATIONS**

**(Third Request)**

1 The United States of America respectfully seeks to continue the stay in this matter for an  
 2 additional 14 days, in light of ongoing settlement negotiations with taxpayers Jeffrey and  
 3 Dolores Martinez. The Martinezes have submitted a formal offer to settle this matter. The  
 4 United States is evaluating the offer, and has been discussing a slight revision to the proposal  
 5 with the Martinezes. The Court previously stayed the matter, but the stay expired on May 15,  
 6 2020. (*See* ECF No. 34). If this motion is granted, the United States will inform the Court of the  
 7 status within 14 days of the Court's order.

## 8 **MEMORANDUM OF POINTS AND AUTHORITIES**

### 9 *Background*

10 This is a federal tax case. The United States seeks a judgment against taxpayers Jeffrey  
 11 and Dolores Martinez, and against two corporations associated with them, for various federal tax  
 12 liabilities. The United States also seeks to foreclose its tax liens against certain real property to  
 13 help satisfy the judgment.

14 The United States also named as defendants other parties that might assert a lien or other  
 15 claim against the property, pursuant to 26 U.S.C. § 7403(b) ("Action to enforce lien or to subject  
 16 property to payment of tax"). That way, those parties' claims to the property (if any) could be  
 17 adjudicated if and when the Court determines that the property should be foreclosed. It is  
 18 common in such cases for the United States to reach stipulations with other claimants as to lien  
 19 priority, to the extent they do not disclaim any interest.

20 If the matter settles without a foreclosure, the other lienholders would not need to be paid  
 21 out. In any event, to date only one of the potential lienholders, the Rhodes Ranch Association,  
 22 has answered the complaint. (ECF No. 4). Another, Fidelity National Title, has disclaimed any  
 23 interest. (*See* ECF No. 7). Defendants JP Morgan Chase Bank National Association and Chase  
 24 Bank National Association (together, the "Chase defendants"), and the United States have  
 25 reached a stipulation concerning lien priority as between them. (*See* ECF No. 20 (Order

1 approving stipulation)). (The Chase defendants currently control the mortgage loan that was  
2 initially issued by defendant Sierra Mortgage Corporation). Defendant Republic Silver State Inc.  
3 has been served but has not yet appeared, and has not contacted the United States. Finally, the  
4 United States filed a notice of dismissal concerning defendants Nevada Mortgage Assistance  
5 Company and the Cooper Castle Law firm, and the Clerk has terminated them from the case.

6 The litigation would therefore focus on the Martinezes and their business. Neither of the  
7 Martinezes, or the corporations, have appeared. The United States served the Martinezes,  
8 individually and as representatives of their business, on December 27, 2019. Their time to  
9 respond to the complaint thus expired on January 17, 2019, under Fed. R. Civ. P. 12(a)(1)(A)(i).  
10 Ordinarily the United States would be moving for an entry of default and a default judgment.  
11 However, the Martinezes have reached out to the undersigned counsel, and the parties are  
12 discussing a possible settlement. On April 20, 2020, the Martinezes made an updated offer and  
13 provided certain financial information that the United States had requested. The parties are now  
14 discussing a small alteration to the formal offer, and United States is evaluating the merits of the  
15 offer.

16 Extending the stay would facilitate potential resolution of this case. If the stay was  
17 denied and the case were to proceed, the United States' next steps would include seeking entries  
18 of default against the Martinezes and their businesses, which the Martinezes would presumably  
19 attempt to cure. Extending the stay may avoid unnecessary motions practice and allow the  
20 parties to focus their efforts on reaching a resolution.

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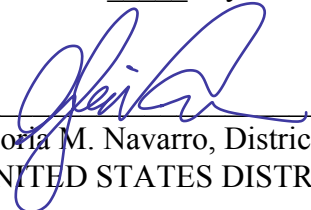
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***Request for Relief***

WHEREFORE, United States respectfully seeks a stay the matter for an additional 14 days from the Court's order on this motion, to facilitate settlement discussions, with the United States to inform the Court regarding the case's status with 14 days of the order on this motion. The United States reserves the right to seek an entry of default or default judgment after 14 days if the negotiations do not resolve the matter. **IT IS SO ORDERED.**

Dated this 27 day of May, 2020.

  
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Gloria M. Navarro, District Judge  
UNITED STATES DISTRICT COURT

Dated this 26th day of May 26, 2020.

RICHARD E. ZUCKERMAN  
Principal Deputy Assistant Attorney General

/s/ E. Carmen Ramirez  
E. CARMEN RAMIREZ  
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United States Attorney

**CERTIFICATE OF SERVICE**

IT IS HEREBY CERTIFIED that service of the foregoing is made this May 26, 2020, via the Court's ECF system to all current parties who have appeared electronically. In an abundance of caution, the United States is sending this motion to the following persons via U.S. Mail:

Jeffrey Martinez  
262 Cliff Valley Dr.  
Las Vegas, NV 89148

Dolores Martinez  
262 Cliff Valley Dr.  
Las Vegas, NV 89148

/s/ E. Carmen Ramirez  
E. CARMEN RAMIREZ  
Trial Attorney, Tax Division  
U.S. Department of Justice